



Sprint

Mid Atlantic Telecom

REC'D TN
REGULATORY AUTH.

'96 SEP 10 PM 3 31

Carolina Telephone
Centel-North Carolina
Centel-Virginia
United Telephone-Southeast

James B. Wright
Senior Attorney

OFFICE OF THE
EXECUTIVE SECRETARY

OFFICIAL FILE

PLEASE

September 10, 1996

Mr. Eddie Roberson
Interim Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No. 96-01235 (InterLata Certificate)
Prefiled Testimony

Dear Mr. Roberson:

Pursuant to the Authority's August 22, 1996 Notice of Hearing, enclosed for filing in the above case are the original and ten copies of the direct testimony of Mr. Steve Parrott, who will be testifying on behalf of United Telephone-Southeast, Inc.

A copy of the testimony is being furnished to counsel of record.

Very truly yours,

James B. Wright / sm

James B. Wright

Enclosures

CC: Steve Parrott
John Walkup
Roger Briney

#8367

REC'D TN
REGULATORY AUTH.
'96 SEP 10 PM 3 32

DIRECT TESTIMONY OF THE
EXECUTIVE SECRETARY

OF

CHARLES S. (STEVE) PARROTT

BEFORE THE

TENNESSEE REGULATORY AUTHORITY

ON BEHALF OF

UNITED TELEPHONE-SOUTHEAST, INC.

OFFICIAL FILE

SEP 10 1996

DO NOT REMOVE

DOCKET NO. 96-01235

SEPTEMBER 10, 1996

DIRECT TESTIMONY
OF
CHARLES S. (STEVE) PARROTT
ON BEHALF OF
UNITED TELEPHONE-SOUTHEAST, INC.

1 Q. Please state for the record your full name, title, and business address.

2

3 A. My name is Charles S. (Steve) Parrott. I am Director - State Regulatory Affairs at
4 Sprint's Mid-Atlantic Operations and I am testifying on behalf of United
5 Telephone-Southeast, Inc. (United) in this proceeding. My business address is
6 14111 Capital Boulevard, Wake Forest, North Carolina 27587-5900.

7

8 Q. Please briefly outline your education, training and experience in the telephone
9 industry.

10

11 A. I hold a Bachelor of Science Degree in Business Administration (Accounting
12 Major) from the University of Tennessee at Knoxville and I have nineteen years of
13 telephony experience with Sprint Corporation. After my employment with Sprint's
14 regional local exchange company in Bristol, Tennessee in July, 1977 as a Junior
15 Accountant, I have held numerous staff and management positions in the areas of
16 finance/accounting, information management services, and regulatory affairs.
17 Management positions include General Accounting Manager, Director - Local
18 Revenues, Director - Rate Planning and Rate Case Matters, Director - Revenues

1 and Regulatory Matters and Director - Regulatory Affairs TN/VA. In November,
2 1995, I was appointed to my present position of Director - State Regulatory
3 Affairs for the Sprint Mid-Atlantic Telecom four state service territory.
4

5 Q. What are your responsibilities as Director - State Regulatory Affairs?

6
7 A. I am directly responsible for all state regulatory matters affecting Central
8 Telephone Company of Virginia, Carolina Telephone and Telegraph and Central
9 Telephone Company in North Carolina, and United Telephone-Southeast in
10 Virginia, Tennessee and South Carolina. In this capacity, I direct the preparation
11 and administration of all General Subscriber Service and Intrastate Access Service
12 Tariffs, the coordination of all state regulatory matters and I oversee external
13 relations/contract administration with other local exchange companies.
14

15 Q. Have you previously testified before Public Service Commissions?

16
17 A. Yes, I have testified before the Tennessee Public Service Commission, the Virginia
18 State Corporation Commission and the Public Service Commission in South
19 Carolina addressing the areas of finance/accounting, rate design, regulatory policy,
20 price regulation plans, rules for local exchange competition and universal service.
21

22 Q. What is the purpose of your testimony in this proceeding?

1

2 A. The purpose of my testimony is to provide support for why the Tennessee
3 Regulatory Authority (Authority) should approve United's application for a
4 certificate of public convenience and necessity to provide facilities-based
5 interLATA, interexchange telephone services to end users throughout Tennessee.

6

7 United is presently certified by the Authority as a local exchange telephone
8 company and, therefore, has on file with the Authority a complete tariff of local
9 and intraLATA long distance services. Following approval of this application,
10 United will file tariffs pursuant to its authority as an interLATA interexchange
11 carrier and will adhere to all applicable Authority policies, rules and orders.

12

13 United is currently offering interLATA long distance service to its customers on a
14 resale basis via a separate subsidiary, but requests authority to offer facilities-based
15 service when necessary or appropriate. At this time, United intends to charge the
16 same rates for both facilities-based and interLATA interexchange resold telephone
17 services.

18

19 Q. Mr. Parrott, why is United seeking this certification at this time?

20

21 A. United receives requests periodically, from both end-users and carriers, to provide
22 facilities-based services which cross LATA boundaries. At the present time,

1 United is not certificated to provide these services which include enhanced data
2 applications.

3
4 Q. Please explain United's financial, managerial and technical abilities to provide the
5 services covered in this Application.

6
7 A. United has sufficient financial, managerial, and technical abilities to provide the
8 services covered in this Application as evidenced by the following:

9 Financial - United has strong financial capability to render facilities-based
10 interLATA, interexchange services, as evidenced by the Company's 1994
11 and 1995 financial statements, a copy of which is attached to United's
12 application as Exhibit A. As a subsidiary of Sprint Corporation, United has
13 access to additional capital resources as well as banking relationships that
14 will permit it to provide the services requested in this application.

15 Managerial - United has the managerial ability to render facilities-based
16 interLATA, interexchange services. United or its predecessor companies
17 have provided adequate and reliable telephone service in Tennessee since
18 1889. The Company currently provides local exchange and intraLATA
19 interexchange service in Tennessee to 226,000 access line customers in 22
20 exchanges. A list of the exchanges is attached to United's application as
21 Exhibit B. Attached to the application as Exhibit C is a listing of the
22 applicant's principal corporate officers and a description of each officer's

1 background and experience. As also shown in Exhibit C, each of the
2 officers of the company has substantial managerial experience in the
3 telecommunications and other fields.

4 Technical - United has the technical ability to render facilities-based interLATA,
5 interexchange services. The Company's history of successful
6 telecommunications operations demonstrates its technical ability to provide
7 the services requested in this application.

8
9 Q. Has United ever been subject to any consent decree constraints which would have
10 prohibited the Company in the past from applying for and receiving an interLATA
11 certification?

12
13 A. No. Unlike the Bell and GTE operating companies, United has never been
14 constrained by any consent decree limitation. In fact, a subsidiary of United has
15 been previously authorized to operate as an interLATA interexchange reseller in
16 Tennessee (Docket No. 95-03787).

17
18 Q. Would the Authority granting the requested certification to United be in the public
19 interest?

20
21 A. Yes, it would. Competitive markets are the best ways to deliver benefits to
22 customers. United's proposed services will provide its subscribers with high

1 quality services and enhanced functionality and will increase consumer choice
2 through innovative, diversified, and reliable service offerings. The public will
3 benefit directly and indirectly from the additional competition as a result of lower
4 prices, innovative service offerings, and overall stimulus to the economy.
5 Allowing United to compete in the markets with the services for which they are
6 seeking approval would help to stimulate competition in those arenas.

7

8 Q. Does this conclude your testimony?

9

10 A. Yes it does.